GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3243
ANSWERED ON:04.08.2017
Indian Economy
Vichare Shri Rajan Baburao

Will the Minister of FINANCE be pleased to state:

(a) whether the Indian Economy has slowed sharply in the first quarter during January-March 6.1 per cent down from 7 per cent in the previous quarters while the overall pace of growth in 2016-17 moderated to a three year low of 7.1 per cent according to the data released by the Central Statistics Office (CSO) recently;

(b) if so, the details thereof along with the worst hit sectors, sector-wise; and

(c) the remedial steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) As per the data released by Central Statistics Office (CSO) on 31st May, 2017, the growth rate of GDP at constant (2011-12) prices was 6.1 per cent during the January-March quarter of 2016-17, as compared to 7.0 per cent growth in the October-December quarter of 2016-17. The GDP growth rate during 2016-17 at constant (2011-12) prices was 7.1 per cent, as compared to 7.5 per cent in 2014-15 and 8.0 per cent growth in 2015-16 respectively.

(b) As per the latest data available from CSO, the sector-wise growth rate in Gross Value Added (GVA) at constant basic prices for the last three years and third and fourth quarters of 2016-17 are given in the table below.

Sector- Wise Growth Rates Of GVA At Constant (2011-12) Prices (per cent)

Industry	2014-15	2015-16	2016-17	October- December 2016	January- March 2017
Agriculture, forestry & fishing	-0.2	0.7	4.9	6.9	5.2
Mining & quarrying	11.7	10.5	1.8	1.9	6.4
Manufacturing	8.3	10.8	7.9	8.2	5.3
Electricity, gas, water supply & other utility services	7.1	5.0	7.2	7.4	6.1
Construction	4.7	5.0	1.7	3.4	-3.7
Trade, hotels, transport, communication and services related to broadcasting	9.0	10.5	7.8	8.3	6.5
Financial , real estate & professional services	11.1	10.8	5.7	3.3	2.2
Public Administration, defence and other services	8.1	6.9	11.3	10.3	17.0
GVA at basic prices	7.2	7.9	6.6	6.7	5.6
GDP	7.5	8.0	7.1	7.0	6.1

(c) The Government of India has taken various initiatives to give impetus to the economy which, inter alia, include; fillip to manufacturing and infrastructure, both rural and urban; concrete measures for transport and power sectors and comprehensive

reforms in the policy for foreign direct investment. Government announced various measures in the Budget 2017-18 to promote growth in the economy which, among others, includes push to infrastructure development by giving infrastructure status to affordable housing, higher allocation to highway construction, and focus on coastal connectivity. The other measures include: lower income tax for companies with annual turnover up to Rs 50 crore; further measures to improve the ease of doing business; and, a major push to digital economy. The Budget also targeted to provide higher agricultural credit and to increase employment significantly. The introduction of the Goods and Services Tax (GST) has provided a significant opportunity to improve growth momentum by removing barriers to trade, business and related economic activities.

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